

January 10, 2004

TO: Investor Owned Electric Utilities

SUBJECT: Annual Report

Enclosed is a copy of the pages from the Annual Report by Electric Utilities (Form A) to the Maine Public Utilities Commission (MPUC) that you are required to file in addition to the FERC Form 1. Complete the pages using 2003 data and return one copy to the Commission by April 1, 2004.¹ The other copy should be retained by the utility for its records. Certain aspects of the reporting process are clarified or amplified in the following paragraphs. These pages are also available on disk or e-mail in Microsoft Word. To request a copy, please call me at (207) 287-1383 or by e-mail at Lucretia.Smith@maine.gov.

All information requested on each page of the report should be supplied, unless the correct answer is "None" or "Not Applicable." The Commission staff will review the reports, and requests for clarification or supplemental information will be issued as soon as possible after the reports are received. Thus, it is in everyone's best interest to have the report filled in accurately and completely when they are filed. Explanatory notes should be provided where it would enhance the clarity of any response.

Page 17 requires the utility to report Revenues Subject to MPUC Assessment; these revenues are defined in 35-A M.R.S.A. § 116 as follows, "For the purposes of this section, 'intrastate gross operating revenues' mean intrastate revenues derived from filed rates, except revenues derived from sales for resale." Thus, Revenues for Assessment are those intrastate revenues derived from the sale to end users of goods or services that are made under an approved tariff (sometimes referred to as a schedule of rates) on file with the MPUC or are made under a special contract that is subject to MPUC jurisdiction. Wholesale transactions, in which the utility is the seller, are exempt from assessment. Page 17 includes a separate line for revenues that are derived from the sale of electricity. Those revenues are not subject to assessment.

Page 18 requires each utility to provide information concerning political activities, institutional advertising, promotional advertising and promotional allowances. This information is required by, and these terms are defined in, Chapter 830 of the

¹ If this data cannot be met you must request an extension by March 3, 2004. The Commission can only grant one 30-day extension and cannot grant an extension for Page 17.

Commission's Rules. Each utility shall adhere to the provisions of the rule in order that the required information is provided in a complete and accurate fashion.

Attached is a page titled "Delivery of Electricity by Rate Schedule" it is similar to page 304 of the FERC Form No. 1, Sale of Electricity by Rate Schedule. Since deregulation, some investor owned transmission and distribution utilities have not completed page 304 in the FERC Form No. 1, as they no longer "sell" electricity. However, the Commission still requires the information included on this schedule and is requesting that the T&D utility complete this page for not only 2003 but also for 2000, 2001, and 2002 if it did not complete page 304 of the FERC Form No. 1 in any of those years.

As required by Chapter 710 of the Commission's Rules, each public utility must have its books of account audited annually. Utilities with a fiscal year ending December 31 must file with the Commission a copy of the audited financial statements and the auditor's report by the following July 1. With the audited financial statements the utility must file an explanation of any material discrepancies between the audited statements and the annual report filed with the Commission.

Title 35-A M.R.S.A. § 709 defines insider transactions and states the requirements for review and approval of such transactions by the utility's board of directors or trustees. Subsection 3 of the statute requires that such transactions be reported to the Commission with utility's annual report. Each utility should report insider transactions using a separate schedule to provide the information.

Any question or comments concerning the Annual Report or the reporting process should be directed to the undersigned. Thank you for your cooperation in this matter; adherence to the time requirements for filing would be most appreciated.

The Utility Contact Information Sheet has been included and must be returned with the Annual Report. This form is necessary to ensure that the Commission has current points of contact for all utilities in the State. Questions about the Contact Information Sheet should be directed to Joe Sukaskas or Faith Huntington at the Commission.

Sincerely,

Lucretia A. Smith
Utility Analyst